



P.O. Box 337, Valdez, AK 99686

June 20, 2012

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

Re: WC Docket No. 10-90, Annual 54.313(a)(2) through (6); (f)(2) and (h) Report of High-Cost Recipient

Dear Ms. Dortch:

Enclosed herein is the annual report for **Copper Valley Telephone Cooperative, Inc. (CVTC)**, Study Area Code 613006 pursuant to §54.313 of the Commission's rules.

Please contact me with any questions at:

Phone 907-835-7721  
Email [pmurphy@cvtc.org](mailto:pmurphy@cvtc.org)

Sincerely,

A handwritten signature in blue ink that reads "Pamela R. Murphy".

Pamla R. Murphy  
Chief Financial Officer

Enclosures

Copies to:

Karen Majcher  
Vice President-High Cost and Low Income Division  
Universal Service Administrative Company  
2000 L Street NW, Suite 200  
Washington, DC 20036

T.W. Patch, Chairman  
Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, AK 99501

**Copper Valley Telephone Cooperative, Inc.**  
**2012 Annual 54.313 Report of High-Cost Recipient**

**Certifications**

In compliance with the following regulations, **Copper Valley Telephone Cooperative, Inc. (CVTC)**, by David Dengel its Chief Executive Officer hereby certifies, subject to the penalties for false statements imposed under 18 U.S.C. § 1001, that:

54.313(a)

47 CFR § 54.202(a)(1)(i) – It will make reasonable efforts to comply with the service requirements applicable to the support it receives, specifically:

High Cost Loop Support – the services listed and defined in 47 CFR § 54.101(a).

Lifeline Support – the three criteria set forth in 47 CFR § 54.401(a).

Interstate Common Line Support – the filings required in 47 CFR § 54.903 and the certification required in 47 CFR § 54.

47 CFR § 54.313(a)(5) – It will make reasonable efforts to comply with the service standards of the State of Alaska in compliance with its obligation to the State as an Eligible Telecommunications Carrier (ETC), the service standards of the State of Alaska promulgated in Alaska Statutes, Title 3 Commerce, Community, and Economic Development Part 7 Regulatory Commission of Alaska, 3 AAC 52.200-3 AAC 52.340, Telephone Utilities and Alaska Administrative Code 3AAC 53.700 State Telecommunications Modernization, and consumer protection rules as defined in 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. (See also Page 3)

47 CFR § 54.313(a)(6) – It will make reasonable efforts to function in emergency situations as set forth in 47 CFR § 54.202(a)(2). (See also Page 4)

Certified by:

David Dengel  
Signature  
David Dengel  
Printed Name  
CEO  
Title

**Copper Valley Telephone Cooperative, Inc.**  
2012 Annual 54.313 Report of High-Cost Recipient

54.313(a)(2) Detailed Information on any Outage in 2011

An outage is a significant degradation in the ability of an end user to establish and maintain a channel of communications as a result of failure or degradation in the performance of a communications provider's network of at least 30 minutes in CVTC's service area.

An outage affected at least ten percent of the end users in the service area. No  
(Yes or No)

An outage that potentially affects a 911 special facility occurs whenever:

- (1) There is a loss of communications to PSAP(s) potentially affecting at least 900,000 user-minutes and: The failure is neither at the PSAP(s) nor on the premises of the PSAP(s); no reroute for all end users was available; and the outage lasts 30 minutes or more; or
- (2) There is a loss of 911 call processing capabilities in one or more E-911 tandems/selective routers for at least 30 minutes duration; or
- (3) One or more end-office or MSC switches or host/remote clusters is isolated from 911 service for at least 30 minutes and potentially affects at least 900,000 user-minutes; or
- (4) There is a loss of ANI/ALI (associated name and location information) and/or a failure of location determination equipment, including Phase II equipment, for at least 30 minutes and potentially affecting at least 900,000 user-minutes (provided that the ANI/ALI or location determination equipment was then currently deployed and in use, and the failure is neither at the PSAP(s) or on the premises of the PSAP(s)).

An outage affected a 911 special facility in the service area. No  
(Yes or No)

Information on each outage included in the above:

(A) The date and time of onset of the outage - n/a

(B) A brief description of the outage and its resolution - n/a

(C) The particular services affected - n/a

(D) The geographic areas affected by the outage - n/a

(E) Steps taken to prevent a similar situation in the future - n/a

(F) The number of customers affected - n/a

**Copper Valley Telephone Cooperative, Inc.**  
2012 Annual 54.313 Report of High-Cost Recipient

Miscellaneous Information

54.313(a)(3) The number of requests for service from potential customers within the recipient's service areas that were unfulfilled during the prior calendar year - 0  
CVTC attempted to provide service to those potential customers by n/a

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54.313(a)(4) The number of complaints per 1,000 connections in 2011 - 0

54.313(a)(5) Satisfaction of Consumer Protection and Service Quality Standards

Consumer Protection

**Copper Valley Telephone Cooperative, Inc.** complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

**Copper Valley Telephone Cooperative, Inc.** complies with the service standards of the State of Alaska in compliance with its obligation to the State as an Eligible Telecommunications Carrier (ETC). Company also complies with the service standards of the State of Alaska promulgated in Alaska Statutes, Title 3 Commerce, Community, and Economic Development Part 7 Regulatory Commission of Alaska, 3 AAC 52.200-3 AAC 52.340, Telephone Utilities and Alaska Administrative Code 3AAC 53.700 State Telecommunications Modernization.

**Copper Valley Telephone Cooperative, Inc.**  
2012 Annual 54.313 Report of High-Cost Recipient

54.313(a)(6) Ability to Remain Functional in Emergency Situations

**Back-up Power**

CVTC has the following back-up power capabilities:

**Switches**

**VALDEZ CO SWITCH**

Back-up Gen Set, 50 KW, Auto Start, 120 / 208 3 phase, hard-wired 50KW diesel generator with 1000 gallon on site fuel storage, battery plant chargers are 3 phase 208 VAC emergency run time in excess of one week based on full tank. Reserve battery power greater than or equal to 8 hours

**GLENNALLEN CO SWITCH**

Back-up Gen Set, 120 KW, Auto Start, 120 / 208 3 phase, hard wired 130KW diesel generator with 5000 gallon on site fuel storage, battery plant chargers are 3 phase 208 VAC, emergency run time in excess of plant chargers are 3 phase 208 VAC, emergency run time in excess of two weeks with full tank. Reserve battery power greater than or equal to 8 hours

**MENTASTA CO SWITCH**

Building, 120 / 240 VAC manual transfer switch with plug. Reserve battery power greater than or equal to 8 hours

**CHITINA CO SWITCH**

Building, 120 / 240 VAC manual transfer switch with plug. Reserve battery power greater than or equal to 8 hours.

**TATITLEK CO SWITCH**

Building, 120 / 240 VAC auto transfer switch with plug. 12KW diesel generator mounted on 400 gallon tank, emergency run-time of approximately one week. Reserve battery power greater than or equal to 8 hours.

**MCCARTHY CO SWITCH**

Off electrical grid, 1500Ah battery bank. Reserve battery power greater than or equal to 8 hours. Redundant 10.5KW diesel, continuous run generators. 1x3000 and 1x6000 gallon fuel storage tanks allow approximately 18000 hours of runtime. Fueled annually.

**Subscriber Carrier (DLC, AFC, OPM, etc.)**

**Shoup Bay**

Off electrical grid. Redundant 7KW DC propane fired, cycle run generators, 3.2 KW solar array, 1KW wind generator, 1600Ah battery bank. 3x1000 gallon propane storage tanks allow approximately 1500 hours of generator run time. Fueled annually. Portable generator through rectifier system. Reserve battery power greater than or equal to 8 hours .

<b>Naked Island</b>	Off electrical grid, Redundant 7KW DC propane fired, cycle run generators, 3.2 KW solar array, 4600Ah battery bank. 6x1000 gallon propane storage tanks allow approximately 3000 hours of generator run time. Fueled semi-annually. Site can be powered by portable generator through rectifier system. Reserve battery power greater than or equal to 8 hours.
<b>Tatitlek Microwave</b>	Building, 120/240 VAC, fed from Tatitlek CO which has 12 KW auto start stand-by generator (see TATITLEK CO). Reserve battery power greater than or equal to 8 hours
<b>Lake Louise</b>	Off electrical grid, Redundant 7KW DC propane fired, cycle run generators, 4.05 KW solar array, 1600Ah battery bank 1000 gallon propane storage tank allows approximately 500 hours of generator run time. Fueled monthly. Site can be powered by portable generator through rectifier system. Reserve battery power greater than or equal to 8 hours
<b>Tangle Lakes Repeater</b>	Off electrical grid, summer operation only. 48V power. 1.7 KW solar array. Batteries provide 14 days of run time without solar. Reserve battery power greater than or equal to 8 hours
<b>Valdez Airport CSA</b>	Building, 120 / 240 VAC manual transfer switch with plug, chargers are 240 volt. Reserve battery power greater than or equal to 8 hours
<b>Alpine Woods CSA</b>	Building, 120 / 240 VAC manual transfer switch with plug, chargers are 240 volt. Reserve battery power greater than or equal to 8 hours
<b>Alyeska OCC</b>	On customer premise, customer UPS power, 120 volt, restricted access. Reserve battery power greater than or equal to hours
<b>Grain Term</b>	Building, 120 / 240 VAC, chargers are 240 volt, auto-start 12 KW gen set with 125 gallon on site fuel storage. Reserve battery power greater than or equal to 8 hours
<b>Court House</b>	AFC in basement small room, Cabinet with battery back-up, 120 volt wall plug. Reserve battery power greater than or equal to 8 hours
<b>CVEA Hydro</b>	AFC in warehouse indoor wall mount cabinet, Charger & Battery, 120VAC, Wall plug. Reserve battery power greater than or equal to 8 hours
<b>CVEA Petro Star</b>	AFC Cabinet, 120 volt wall plug, CVEA back-up gen set on site Reserve battery power greater than or equal to 8 hours
<b>CVTC B1</b>	AFC in Comm Room with battery back-up, 120 volt wall plug Reserve battery power greater than or equal to 8 hours

<b>DOT Thompson Pass</b>	AFC Cabinet, 120 volt wall plug. Reserve battery power greater than or equal to 8 hours
<b>FAA ANCS site</b>	Customer Premise in FAA Building, Customer UPS power, 120 volt
<b>Heidenview CSA</b>	120/240 VAC manual transfer switch. Charger are 120V. Reserve battery power greater than or equal to 8 hours
<b>Meals Substation</b>	AFC Cabinet, Manual transfer switch inside, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Robe River CSA</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug, cord on site, chargers are 240 volt. Reserve battery power greater than or equal to 8 hours
<b>Robe LK CSA</b>	AFC Cabinet, Manual transfer switch inside, cord in cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>SERVS AFC</b>	AFC & Sonet in Comm Room, CVTC chargers and battery, 120 VAC, Wall plug. Reserve battery power greater than or equal to 8 hours
<b>USCG MSO</b>	AFC & Sonet in Comm Room, CVTC chargers and battery, 120 VAC, Wall plug. Reserve battery power greater than or equal to 8 hours
<b>WCI Dayville / CVEA</b>	Customer Premise, 48VDC From Customer Power Plant. Customer Battery
<b>Basin CSA</b>	RSC/240 Cabinet, Breaker inside cabinet, Cord on site. Reserve battery power greater than or equal to 8 hours
<b>Midpoint CSA</b>	RSC/48 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Tolsona Wilderness</b>	RSC/48 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Tolsona Lake</b>	RSC/120 Cabinet. Reserve battery power greater than or equal to 8 hours
<b>Atlasta House</b>	Transfer switch inside. Reserve battery power greater than or equal to 8 hours
<b>Glenn Hwy Mile 164.4 CSA</b>	DC line powered from Atlasta House (8 Hour Battery backup)

<b>Tolsona Ridge</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Smokey Lake CSA</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Mendeltna CSA Gln Hwy Mile 152.6</b>	DC line powered from Snowshoe CSA. Reserve power > or = to 8 hours
<b>Snowshoe CSA</b>	RSC/240 Cabinet. Reserve battery power greater than or equal to 8 hours
<b>Nelchina CSA</b>	Building, transfer switch inside. Reserve battery power greater than or equal to 8 hours
<b>Virgin CSA Gln Hwy Mile 140 CSA</b>	RSC/48 Cabinet, Breaker inside cabinet, remove cord after AC commercial power stabilizes, cord in cabinet, 120 volt. Reserve Power > or = to 8 hours
<b>Nelchina River CSA Gln Hwy Mi 135</b>	RSC/48 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Eureka CSA Gln Hwy Mi 128</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Airport CSA Rich Hwy Mi 118</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Paxson CSA Rich Hwy Mi 185.5</b>	RSC/240 Cabinet. Reserve battery power greater than or equal to 8 hours
<b>Richardson CSA Rich Hwy Mi 128</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Tazlina CSA Rich Hwy Mi 111.5</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Silver Springs CSA Old Rich Hwy Mi 105</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Copper Center CSA Old Rich Hwy Mi 101</b>	RSC/240 Cabinet, Breaker inside cabinet. Reserve battery power greater than or equal to 8 hours
<b>Princess Hotel CSA Tazlina Rd. MP 1</b>	RSC/120 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Grizzly CSA Rich Hwy Mi 93</b>	RSC/120 Cabinet. Reserve battery power greater than or equal to 8

	hours
<b>Willow Lake CSA Rich Hwy Mi 89</b>	RSC/120 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Squirrel Creek CSA Rich Hwy Mi 79</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Ernestine CSA</b>	Standby generator on site.- Building, auto transfer 8KW diesel generator with 125 gallon on site fuel storage, battery plant chargers are 240 VAC, emergency run time approximately one week. Reserve battery power greater than or equal to 8 hours
<b>Tiekel CSA Rich Hwy Mi 56</b>	DC line powered from Ernestine CSA. Reserve battery power greater than or equal to 8 hours
<b>Serendipity CSA Rich Hwy Mi 44</b>	DC line powered from Ernestine CSA. Reserve battery power greater than or equal to 8 hours
<b>Old Edgerton CSA</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Edgerton MW/CSA</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Edgerton Mi 4 CSA</b>	RSC/48 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Kenny Lake CSA</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Hargreaves CSA</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>SAPA CSA</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Lower Tonsina CSA</b>	RSC/120 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Gakona CSA</b>	RSC/240 Cabinet. Reserve battery power greater than or equal to 8 hours
<b>Tok Nine Mile</b>	RSC/240 Cabinet, 120 volt. Reserve battery power greater than or equal to 8 hours
<b>Aurora CSA</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours

<b>Chistochina CSA</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Tok 41 Mile CSA</b>	DC line powered from Chistochina. Reserve battery power greater than or equal to 8 hours
<b>Tok 44 Mile CSA</b>	Transfer switch mounted next to power unit, manual transfer switch. Reserve battery power greater than or equal to 8 hours
<b>Tok 52 Mile Grizzly CSA</b>	DC line powered from Slana microwave site. Reserve battery power greater than or equal to 8 hours
<b>Tok 61.5 Mile Ahtell CSA</b>	DC line powered from Slana Microwave site. Reserve battery power greater than or equal to 8 hours
<b>Tok 64 Mile Porcupine CSA</b>	Transfer switch mounted next to power unit, manual transfer switch. Reserve battery power greater than or equal to 8 hours
<b>Tok 67 Mile Carlson Ck CSA</b>	Transfer switch mounted next to power unit, manual transfer switch. Reserve battery power greater than or equal to 8 hours
<b>Tok 71 Mile Nan Dooley CSA</b>	Transfer switch mounted next to power unit, manual transfer switch. Reserve battery power greater than or equal to 8 hours
<b>Slana Microwave</b>	Standby generator on site. Building, 120 / 240 auto transfer, 12KW diesel generator with 125 gallon on site fuel storage battery plant chargers are 240 VAC emergency run time approximately one week with full capacity tank. Reserve battery power greater than or equal to 8 hours
<b>Slana DOT</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>College Road CSA</b>	Building, 120 / 240 VAC manual transfer switch with EMG plug. Reserve battery power greater than or equal to 8 hours
<b>Mentasta Pass</b>	Building, 120 / 240 VAC EMG plug. Reserve battery power greater than or equal to 8 hours

#### **Network Interface Devices (NIDs)**

CVTC has 4,023 customers with metallic (copper) connections to the Central Office and their NIDs are powered from the Central Office.

CVTC has 3 customers with non-metallic (fiber optic) connections to the Central Office. These customers' NIDs are battery powered in case of emergency. The batteries are rated at 8 hours with constant use.

**Ability to reroute traffic around damaged facilities:**

CVTC has deployed various redundant facilities between its exchanges and interconnecting companies AT&T, GCI and ACS for further toll switching. These redundant facilities are in the form of SONET rings, collapsed SONET rings, and electronic equipment hardware sparing with some alternate physical facilities between Copper Valley Telephone, AT&T and ACS, its interconnection to the Public Switched Telephone Network.

Refer to individual exchange topologies below:

Copper Valley Telephone Chitina exchange <CHTNAKXADS1> 6 two-way trunks ACS-LD over collapsed fiber, 12 incoming GCI toll LD over collapsed fiber and 6 AT&T two-way trunks over AT&T satellite

Copper Valley Telephone Tatitlek exchange <TTLKAKXA325> 6 two-way trunks ACS-LD over microwave, 19 incoming GCI toll LD over microwave plus 6 AT&T two-way trunks over AT&T satellite.

Copper Valley Telephone Mentasta exchange <MNTSAKXADS1> 6 two-way trunks ACS-LD over collapsed fiber, 15 incoming GCI toll LD over collapsed fiber plus 6 AT&T two-way trunks over AT&T satellite.

Copper Valley Telephone Valdez exchange <VLDZAKXA835> 48 two-way trunks to ACS-LD inter-connection over fully redundant SONET ring, 48 two-way trunks over collapsed ring to AT&T and 72 two-way trunks over collapsed ring to GCI.

Copper Valley Telephone Glennallen exchange <GLALAKXA822> Has 48 two-way trunks to ACS-LD inter-connection over fully redundant SONET ring, plus 48 two-way trunks over collapsed ring to AT&T and 72 two-way trunks over collapsed ring to GCI.

Copper Valley Telephone McCarthy exchange <MCCRAKXADS1> has capacity of 14 two-way AT&T trunks over satellite plus 4 Operator trunks over satellite.

**Capability to manage traffic spikes resulting from emergency situations**

Copper Valley Telephone Chitina exchange <CHTNAKXADS1> has 75 access lines/customers, switching capacity of 10,000 on-switch simultaneous calls, and transport capacity for 32 simultaneous calls off switch. Copper Valley takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Copper Valley Telephone Tatitlek exchange <TTLKAKXA325>** has 46 access lines/customers, switching capacity of 10,000 on-switch simultaneous calls, and transport capacity for 37 simultaneous calls off switch. Copper Valley takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Copper Valley Telephone Mentasta exchange <MNTSAKXADS1>** has 57 access lines/customers, switching capacity of 10,000 on-switch simultaneous calls, and transport capacity for 33 simultaneous calls off switch. Copper Valley takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Copper Valley Telephone Valdez exchange <VLDZAKXA835>** has 2,080 access lines/customers, switching capacity of 10,000 on-switch simultaneous calls, and transport capacity for 168 simultaneous calls off switch. Copper Valley takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Copper Valley Telephone Glennallen exchange <GLALAKXA822>** has 1,704 access lines/customers, switching capacity of 10,000 on-switch simultaneous calls, and transport capacity for simultaneous 168 calls off switch. Copper Valley takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Copper Valley Telephone McCarthy exchange <MCCRAKXADS1>** has 64 access lines/customers, switching capacity of 2000 on-switch simultaneous calls, and transport capacity for simultaneous calls 18 off switch. Copper Valley takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

**Copper Valley Telephone Cooperative, Inc.**  
**2012 Annual 54.313 Report of High-Cost Recipient**

**54.313(f)(2) Audited Financial Report**

Attached is Copper Valley Telephone Cooperative, Inc.'s Operating Report for Telecommunications Borrowers for the period ending December 31, 2011 filed with the USDA – Rural Utilities Service.

**Copper Valley Telephone Cooperative, Inc.**  
2012 Annual 54.313 Report of High-Cost Recipient

54.313(h) Additional Residential Voice Rate Data  
As of June 1, 2012

Rates and lines ABOVE the local urban rate floor of \$10.00

<u>Voice rate data</u>	<u>Rate</u>
Residential Local Service Rate -	\$13.45
State Subscriber Line Charges	\$ 3.75
State Universal Service Fee	<u>\$ 1.63</u>
Total	\$18.83

Copper Valley Telephone Cooperative, Inc. does not have any rates for residential local service, as well as state fees as defined pursuant to §54.318(e), that are below the local urban rate floor as defined in §54.318.

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER NAME

Copper Valley Telephone Cooperative, Inc.

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.  
or detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING  
December, 2011

BORROWER DESIGNATION  
AK0509

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

David Dengel

3/22/2012

DATE

## PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	8,304,023	9,579,524	25. Accounts Payable	1,328,576	1,464,316
2. Cash-RUS Construction Fund	81	81	26. Notes Payable	0	
3. Affiliates:			27. Advance Billings and Payments	415,802	467,727
a. Telecom, Accounts Receivable	0		28. Customer Deposits	43,010	59,475
b. Other Accounts Receivable	4,180,422	3,906,074	29. Current Mat. L/T Debt	2,611,251	2,389,038
c. Notes Receivable	3,201,086	2,978,347	30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	776,180	811,641	32. Income Taxes Accrued		
b. Other Accounts Receivable	1,686,086	1,334,378	33. Other Taxes Accrued	393,330	454,953
c. Notes Receivable			34. Other Current Liabilities	492,932	590,378
5. Interest and Dividends Receivable	0		35. Total Current Liabilities (25 thru 34)	5,284,901	5,425,887
6. Material-Regulated	320,170	384,518	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	0		36. Funded Debt-RUS Notes	22,614,439	20,089,810
8. Prepayments	87,795	153,282	37. Funded Debt-RTB Notes	9,071,660	8,195,927
9. Other Current Assets			38. Funded Debt-FFB Notes	725,067	669,293
10. Total Current Assets (1 Thru 9)	18,555,843	19,147,845	39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development	7,494,131	10,850,847	42. Reacquired Debt		
b. Nonrural Development	(377,427)	273,822	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	104,907	109,637	46. Total Long-Term Debt (36 thru 45)	32,411,166	28,955,030
13. Nonregulated Investments	(1,306)	428	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	7,220,305	11,234,734	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
<b>LAND, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	89,588,167	86,935,871	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	389,587	471,256	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	38,103,475	37,010,651	55. Other Capital	897,319	3,943,011
23. Net Plant (18 thru 21 less 22)	51,874,279	50,396,476	56. Patronage Capital Credits	32,217,049	34,581,060
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	6,839,992	7,874,067
			58. Total Equity (51 thru 57)	39,954,360	46,398,138
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	77,650,427	80,779,055
	77,650,427	80,779,055			

Total Equity = 57.44% % of Total Assets

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

AK0509

PERIOD ENDING

December, 2011

INSTRUCTIONS- See RUS Bulletin 1744-2

## PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	2,605,527	2,633,114
2. Network Access Services Revenues	16,942,232	18,109,879
3. Long Distance Network Services Revenues	0	
4. Carrier Billing and Collection Revenues	113,532	128,628
5. Miscellaneous Revenues	105,869	131,862
6. Uncollectible Revenues	(4,446)	(9,506)
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>	<b>19,771,606</b>	<b>21,012,989</b>
8. Plant Specific Operations Expense	5,103,362	5,809,749
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	1,045,392	1,274,828
10. Depreciation Expense	4,470,540	4,647,671
11. Amortization Expense	0	
12. Customer Operations Expense	1,012,659	1,088,673
13. Corporate Operations Expense	2,178,276	2,486,382
<b>14. Total Operating Expenses (8 thru 13)</b>	<b>13,810,229</b>	<b>15,307,303</b>
15. Operating Income or Margins (7 less 14)	5,961,377	5,705,686
16. Other Operating Income and Expenses	0	
17. State and Local Taxes	0	
18. Federal Income Taxes	(15,471)	
19. Other Taxes	306,043	309,896
<b>20. Total Operating Taxes (17+18+19)</b>	<b>290,572</b>	<b>309,896</b>
21. Net Operating Income or Margins (15+16-20)	5,670,805	5,395,790
22. Interest on Funded Debt	1,799,474	1,621,657
23. Interest Expense - Capital Leases	0	
24. Other Interest Expense	16,835	8,692
25. Allowance for Funds Used During Construction	25,491	9,088
<b>26. Total Fixed Charges (22+23+24-25)</b>	<b>1,790,818</b>	<b>1,621,261</b>
27. Nonoperating Net Income	168,539	112,987
28. Extraordinary Items	0	
29. Jurisdictional Differences	0	
30. Nonregulated Net Income	2,791,466	3,986,551
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>	<b>6,839,992</b>	<b>7,874,067</b>
32. Total Taxes Based on Income	285,263	309,830
33. Retained Earnings or Margins Beginning-of-Year	7,327,876	6,839,992
34. Miscellaneous Credits Year-to-Date	0	
35. Dividends Declared (Common)	0	
36. Dividends Declared (Preferred)	0	
37. Other Debits Year-to-Date	3,366,328	3,045,692
38. Transfers to Patronage Capital	3,961,548	3,794,300
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	<b>6,839,992</b>	<b>7,874,067</b>
40. Patronage Capital Beginning-of-Year	29,497,504	32,217,049
41. Transfers to Patronage Capital	3,961,548	3,794,300
42. Patronage Capital Credits Retired	1,242,003	1,430,289
<b>43. Patronage Capital End-of-Year (40+41-42)</b>	<b>32,217,049</b>	<b>34,581,060</b>
44. Annual Debt Service Payments	4,703,629	5,300,006
45. Cash Ratio [(14+20-10-11) / 7]	0.4871	0.5220
46. Operating Accrual Ratio [(14+20+26) / 7]	0.8038	0.8204
47. TIER [(31+26) / 26]	4.8195	5.8568
48. DSCR [(31+26+10+11) / 44]	2.7854	2.6685

# **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

AK0509

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## **Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Mentasta	19.60	13.45	33	24	57	37.38	17.50
Tatitlek	19.60	13.45	25	21	46	7.75	4.83
McCarthy	19.60	13.45	19	45	64	.41	0.00
Glennallen	19.60	13.45	780	964	1,744	1,209.94	294.99
Chitina	19.60	13.45	47	28	75	23.96	7.66
Valdez	19.60	13.45	1,217	1,038	2,255	276.41	65.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			2,121	2,120	4,241	1,555.85	389.98
No. Exchanges	6						

# **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**

*INSTRUCTIONS - See RUS Bulletin 1744-2*

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## **Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

### **4. BROADBAND SERVICE**

Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Mentasta	57	14	7	256		49.95	StandAlone	DSL
Tatitlek	46	21	2	256		49.95	StandAlone	DSL
McCarthy	0	0						
Glennallen	1,570	743	157	256		49.95	StandAlone	DSL
Chitina	75	24	2	256		49.95	StandAlone	DSL
Valdez	2,030	940	114	256		49.95	StandAlone	DSL
Total	3,778	1,742						

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**PART D. SYSTEM DATA**

1. No. Plant Employees 19	2. No. Other Employees 31	3. Square Miles Served 9,406	4. Access Lines per Square Mile .45	5. Subscribers per Route Mile 2.73
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**PART E. TOLL DATA**

1. Study Area ID Code(s) a. 613006 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)	
	Interstate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
	Intrastate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	3,192,764
6. Salvaged Materials	42,716
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	3,235,480

**PART G. INVESTMENTS IN AFFILIATED COMPANIES**

INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development		3,356,716	7,155,000	3,695,847	10,850,847
2. Investment in Affiliated Companies - Nonrural Development		651,249	1,430,000	(1,156,178)	273,822

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

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## PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority  
with jurisdiction over the provision of telephone services? (Check one)



YES



NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	6.51%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	5.10%
4. Land and support assets - Garage and other work equipment	6.67%
5. Land and support assets - Buildings	3.87%
6. Land and support assets - Furniture and Office equipment	7.82%
7. Land and support assets - General purpose computers	7.73%
8. Central Office Switching - Digital	6.67%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	10.12%
12. Central Office Transmission - Circuit equipment	11.09%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	5.00%
19. Cable and wire facilities - Aerial cable - Metal	4.23%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	4.29%
24. Cable and wire facilities - Buried cable - Fiber	4.10%
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

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**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

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INSTRUCTIONS – See help in the online application.

**PART I – STATEMENT OF CASH FLOWS**

<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>	<b>8,304,104</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>2. Net Income</b>	<b>7,874,067</b>
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	4,647,671
4. Add: Amortization	0
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	590,595
7. Decrease/(Increase) in Materials and Inventory	(64,348)
8. Decrease/(Increase) in Prepayments and Deferred Charges	(65,487)
9. Decrease/(Increase) in Other Current Assets	0
10. Increase/(Decrease) in Accounts Payable	135,740
11. Increase/(Decrease) in Advance Billings & Payments	51,925
12. Increase/(Decrease) in Other Current Liabilities	97,446
<b>13. Net Cash Provided/(Used) by Operations</b>	<b>13,267,609</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	222,739
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	16,465
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(3,678,349)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	0
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	3,045,692
20. Less: Payment of Dividends	0
21. Less: Patronage Capital Credits Retired	(1,430,289)
22. Other (Explain) Increase in Accrued Taxes \$61,623; Less prior year affiliate margins included in Line 19 \$ (3,045,692)	(2,984,069)
<b>23. Net Cash Provided/(Used) by Financing Activities</b>	<b>(4,807,811)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	2,570,627
25. Other Long-Term Investments	(4,014,429)
26. Other Noncurrent Assets & Jurisdictional Differences	0
27. Other (Explain) Correct Line 24 for Plant retired, salvage and removal costs	(5,740,495)
<b>28. Net Cash Provided/(Used) by Investing Activities</b>	<b>(7,184,297)</b>
<b>29. Net Increase/(Decrease) in Cash</b>	<b>1,275,501</b>
<b>30. Ending Cash</b>	<b>9,579,605</b>

Revision Date 2010